

Message Text

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47

ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 COME-00 CIAE-00 INR-07 NSAE-00

L-03 /028 W

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R 160915Z JUN 75

FM AMEMBASSY DACCA

TO SECSTATE WASHDC 7106

UNCLAS DACCA 2950

E.O. 11652: N/A

TAGS : BGEN, BG

SUBJECT : REQUEST FOR ASSISTANCE: OHM INTERNATIONAL

REF: STATE 130558

1. EMBOFF CALLED ON MANSUR RAHMAN, DIRECTOR OF PURCHAS-
ING, BANGLADESH POWER DEVELOPMENT BOARD (BPDB), ON
JUNE 13 TO DISCUSS OHM'S COMPLAINT. RAHMAN EXPLAINED
THAT SPARE PARTS ORDERED FROM OHM WERE PART OF LARGE
ORDER (\$3,750,000) PLACED WITH VARIOUS SUPPLIERS IN
MAY 1973. OF \$3.75 MILLION IN ORDERS APPROXIMATELY
ONE-HALF WAS SHIPPED WHEN ALL LETTERS OF CREDIT WERE
CANCELLED IN JUNE 1974 DUE CRITICAL SHORTAGE OF FOREIGN
EXCHANGE. MANY OTHER COMPANIES IN SAME POSITION AS
OHM.

2. BPDB HAS BEEN TOLD THAT IT WILL RECEIVE SECOND TRACHE
OF ORIGINAL TAKA ALLOCATION "SOON". BUT TAKA DEVALUA-
TION OF 58 PERCENT ON MAY 17 WILL NOT ALLOW BPBD TO
CLEAR ALL OF THE OUTSTANDING ORDERS. RAHMAN INDICATED
THAT OHM'S ORDER WAS NOT HIGH ENOUGH ON BPDB'S PRIORITY
LIST TO BE ISSUED AN L/C WITH FUNDS FROM THE SECOND
TRANCHE. ONE PROBLEM, ACCORDING TO RAHMAN, IS THAT
CANADIAN AID TEAM STUDYING POWER GENERATION/DISTRIBUTION
IN BANGLADESH HAS RECOMMENDED CLOSING OF POWER GENERA-
TION STATION FOR WHICH PARTS WERE ORDERED FROM OHM.
BPDB IS NOW CONSIDERING THIS RECOMMENDATION.

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3. BECAUSE OF INFO OUTLINED PARA 2, IT IS NOT LIKELY THAT A RENEWED L/C WILL BE FORTHCOMING SOON. BUT OHM MAY WISH TO CONSIDER OFFERING EXTENDED SUPPLIERS CREDIT (180 DAY/360 DAY) TO BPDB. THE BDG HAS, IN THE PAST, BEEN SWAYED BY OFFERS OF EXTENDED CREDIT TERMS. OFFER OF CREDIT TERMS MAY MOVE OHM'S ORDER TO HIGHER SPOT ON LIST OF PRIORITIES. THIS IS EMBASSY SUGGESTION NOT REPEAT NOT SUGGESTION OF BPDB.

4. WE PLAN PURSUE THIS MATTER WITH MINISTRY OF COMMERCE AND WILL REPORT ANY FURTHER DEVELOPMENTS. BOSTER

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Disposition Approved on Date:
Disposition Authority: n/a
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Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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Margaret P. Grafeld
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06 JUL 2006

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